



# City of Milwaukee

200 E. Wells Street  
Milwaukee, Wisconsin  
53202

## Meeting Minutes

### HOUSING TRUST FUND ADVISORY BOARD TECHNICAL REVIEW SUBCOMMITTEE

**CRAIG KAMMHOLZ, CHAIR**  
*Bethany Sanchez and Mike Soika*

*Staff Assistant, Terry MacDonald*

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*File Specialist, Joanna Polanco, E-mail: jpolan@milwaukee.gov*

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Friday, May 11, 2007

1:30 PM

Room 301-B, City Hall

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#### Meeting Convened: 1:35 P.M.

#### 1. Roll call

**Present** 3 - Soika, Kammholz and Sanchez

*Also present: Tom Gartner-Assistant City Attorney; Mr. Garry Werra-DOA-CBGA; Albert Franitza-Department of City Development; Joe Mar Hooper-DOA-Budget and Management Analysis Division*

#### 2. Discussion and creation of application scoring measure

*Mr. Kammholz asked Mr. Werra to start them off by giving an overview of the May 9, 2007 revised draft application.*

*Mr. Werra said he basically tried to do two things, one was to incorporate the changes requested by the Housing Trust Fund Advisory Board (HTFAB) at its May 2, 2007 meeting, an second to set up an initial frame work for scoring. He than gave an overview of the revisions he made to the draft application.*

*Ms. Sanchez said she has concerns with the last sentence in the first paragraph on page 2. She said her understanding on the request to change that sentence at the May 2, 2007 HTFAB meeting, was to take out any reference of supportive services. She said that they should either leave the whole sentence in, including the homebuyer example or take the whole sentence out completely. She said the sentence is not inaccurate as it is, but if the intent is to place brick and mortar projects as a priority and so as not confuse applicants by referring to services in the application they should consider removing the last sentence completely.*

*Mr. Soika said his recollection of the request was to delete the example in the parentheses only.*

*Mr. Kammholz said that they should leave it in for now, because even though they are going to prioritize brick and mortar projects they aren't going to exclude services.*

*Ms. Sanchez said her point is that "supportive", to her, means supporting homeless or people with disabilities and doesn't include homebuyer or home lender, so if they are going to leave the sentence in, they need to add homebuyer back in.*

*Mr. Werra suggested they could take out the word supportive. Ms. Sanchez said that would clear it up from her prospective.*

*Ms. Sanchez referred to page four and said the difference between the first and second paragraph isn't clear to her in the language that is used.*

*Mr. Werra replied said that most of the wording was taking straight from the actual resolution and some if it is hard to understand. Mr. Werra said he would contact Ms. Sanchez to work on cleaning up the language for the first and second paragraph on page four.*

*Ms. Sanchez referred to the second bullet point on page six and asked if they need to change it or go back and include some wording on page three under "Eligible Applicants" so that if there is a 3 year requirement it would be clear up front.*

*Mr. Kammholz suggested that the second bullet point on page 6 should read as follows: "Corporate or non-profit applicants should include audited financial statements for three years and if in existed for less the three years the annual financial statement."*

*Atty. Gartner said that they might want to have a broader disclaimer. He continued by giving examples.*

*Mr. Kammholz suggested changing "Corporate or non-nonprofit" to just "Applicants".*

*Mr. Werra read back the following suggested changes for the second bullet point on page 6: "Applicants should include audited financial statements for three years and if in existed for less the three years the financial statement to date (Balance sheets, cash flow statements, etc.). For special limited purpose corporations, the supporting organization's statements.*

*Ms. Sanchez asked if 5-year projected pro-forma (Bullet point ten) is enough time?*

*Mr. Werra replied that 5 years is questionable.*

*Mr. Kammholz said that they should add a "minimum" of 5 years.*

*Mr. Kammholz asked Mr. Werra if he wants to go through some of the other bullet point such as tax return, business plan, photos, etc?*

*Mr. Werra questioned the need for a business plan and asked who is going to review it and if they are really necessary. He further said that as far as site photos, they do ask for those.*

*Mr. Kammholz said that they should leave in business plan for now and have the full HTFAB discuss it at its next meeting.*

*Mr. Franitza asked if zoning is addressed in the application process? Mr. Werra replied in the affirmative and said it is in the beginning of the process.*

*Mr. Kammholz asked for an explanation on the changes made to page eight.*

*Mr. Werra replied that he removed the language "Create housing for the homeless" and*

*left in "Rehabilitation of Existing Facility and New Construction of Facility", he add the line at the bottom that says "Indicate the percentage..." and last he added signature lines for CBGA Chief Executive Officer and for an official of the Board of Directors.*

*Mr. Werra explained what had been changed on page nine. Mr. Kammholz suggested that they take out the word supportive, on page nine, under 1 b.*

*Mr. Kammholz asked if page nine is where the scoring would begin? Mr. Werra said that page nine is where they want to start looking at scoring.*

*Mr. Soika offered a hand out of recommendations for a rating system (Exhibit 2). He then explained how he came up with the categories and the rating points for each. He further said that he liked the idea of the formula used by Federal Home Loan Bank of Chicago (Exhibit 3).*

*Mr. Kammholz said the total point shown on Mr. Soika's hand out is 175. He than asked if the projects would need to meet a minimum criteria of the 175 in order to be considered for funding and than would those project with say a 100 point move the applicant into the next stage for potential awarding of housing trust funds?*

*Mr. Soika replied that he didn't attempt to get at the minimum score.*

*Mr. Kammholz said that they should come up with a strict point scale.*

*Ms. Sanchez questioned the "Construction Loan firmly committed" points.*

*Mr. Soika said that those points could be taken out.*

*Mr. Werra said that there should be some scoring for "loan committed."*

*Mr. Werra asked if they are changing the scoring for "Construction Loan firmly committed" to 5 points and leave the "Construction Loan Conditionally Committed" at 5 points?*

*Mr. Soika replied in the affirmative. Mr. Kammholz said that they should leave it as is for now and they can discuss it at the next HTFAB meeting.*

*Ms. Sanchez said there are two additional categories that she suggests they add and those are "Terms of Affordability" and how it addresses the "Needs in the Community."*

*Mr. Kammholz asked Ms. Sanchez what kind of points she would assign to those?*

*Ms. Sanchez said she would assign 15 points to "Terms of Affordability" and 10 points for "Needs in the Community."*

*Mr. Werra asked what the objective of affordability is and do they want to use a scale like what Mr. Soika had used for "Income Targets?"*

*Ms. Sanchez replied that the objective for the homeless is 50 years and Mr. Soika replied that for homeowner's it is 5 years.*

*Mr. Kammholz said they are in an agreement that there will be a scale setup for "Terms of Affordability" and asked Mr. Werra to put a scale together for review by the HTFAB*

*members.*

*Mr. Kammholz asked if they are all comfortable with the FHLB scoring measure? Mr. Werra said CBGA has a similar scoring measure to the FHLB of Chicago.*

*Atty. Gartner asked how is the number of units calculated?*

*Mr. Soika replied by referring the members to the formula used in the FHLB of Chicago application guidelines shown on page 7 and 8 (Exhibit 3).*

*Mr. Soika said he would work with Mr. Werra to put together a formula.*

*Mr. Kammholz continued with the review of Mr. Soika's handout and asked if "Equity Partners" should have a scale.*

*Mr. Werra gave an example of donated property and said a scale could be used.*

*Mr. Kammholz said that property should be changed to real estate. Mr. Kammholz said that they should delete "Equity Partners."*

*Mr. Werra replied that they could keep "Equity Partners", but no give it any points.*

*Mr. Soika explained what is meant by "Service Partners."*

*Mr. Kammholz suggested that they bring "Service Partners" down to five points or take it out completely. He then said they should leave it in and it could be discussed at the next HTFAB meeting.*

*Mr. Werra said he and Mr. Soika will get together to work out the scaling details for each item listed on Mr. Soika's handout.*

*Mr. Kammholz continued with the rest of Mr. Soika's recommendations, starting at "Agency/Staff Experience" to determine which ones need to be scaled.*

*Ms. Sanchez said that 15 points for "Agency/Staff Experience" doesn't seem to be enough points.*

*Mr. Werra said there is a big difference between agency and staff experience. Mr. Kammholz suggested that they break apart "Agency" and "Staff Experience" and give each 15 points.*

*Mr. Kammholz continued with "Accessibility improvements..." and said the points seem high and suggested that they lower the points to 10.*

*Mr. Kammholz moved on to "Use of area workers or emerging businesses."*

*Mr. Gartner asked if 18% EBE is going to be the requirement and are they going to require an EBE agreement for each project?*

*Mr. Soika said the ordinance doesn't say anything about EBE requirements.*

*Mr. Kammholz said that if they are going to include it, it should say RPP or EBE.*

*Mr. Gartner suggested addition points be given if an entity is committing to say 40% EBE instead of 18%. He then asked what is the intent?*

*Mr. Kammholz asked if they are saying that if they don't comply they would get 0 points and if they comply they would get 10 points? Mr. Soika said that they could use a sliding scale.*

*Mr. Kammholz continued with "Increase Neighborhood Diversity in Housing Choices" and said they should keep it in.*

*Mr. Soika said that the rest of the recommendations are in the legislation.*

*Ms. Sanchez referred to the draft HTF application and said on page 18 at the top they need to include for instances.*

*Mr. Werra referred the member to the bottom of page 18 and asked how is the living wage defined or will they use the block grant standards (\$7 per hour currently).*

*Mr. Kammholz said that they could use the block grant standard for now.*

*Mr. Werra said that he would put in parenthesis (\$7 per hour).*

*Ms. Sanchez said the intent of the funds is that it could be the first allocated or committed, but is to be the last dollars use.*

*Ms. Sanchez referred to page 20, the 3rd arrow point down and asked how does it relate to the grid on page 8?*

*Mr. Werra replied that the applicant will need a separate application for each project, because each project could be so different.*

*Mr. Werra referred to page 21 of the application and said this is where the language will go for the last money out.*

*Mr. Kammholz said that they need to make that distinction on the "last dollars out" upon the award and at the time the term sheet is drafted, so that the actual city funds will be last into the project. He said it is more of a disclosure, but it really comes to play in the term sheet.*

*Mr. Gartner said that it seems that they want to say is that our dollars will be disbursed after all other sources of funding for the project are used.*

*Mr. Werra referred to the handouts he gave to the members and said that he will insert the rental limits (Exhibit 4) and the utility allowance numbers that is shown on the spreadsheet (Exhibit 5) on to page 21.*

*Mr. Kammholz asked if those could be attached as appendix?*

*Mr. Werra replied in the affirmative.*

*Atty. Gartner said that once the packet is put together they will need to add some disclaimers, such as the right to reject any application and even if an applicant has the highest score, that doesn't mean they are going to be approved.*

*Mr. Werra replied that they already included the disclaimers from the CBGA application, so he feels they have those covered.*

3. Next meeting date and time

*Mr. Kammholz said that they will wait to set the next meeting date until after the May 22, 2007 HTFAB meeting. Members will then be contacted by the Staff Assistant, Ms. MacDonald to set the meeting date and time.*

**Meeting adjourned: 3:03 P.M.**

**Terry J. MacDonald**  
**Staff Assistant**